

## Article - State Government

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§9–20B–05.

- (a) There is a Maryland Strategic Energy Investment Fund.
- (b) The purpose of the Fund is to implement the Strategic Energy Investment Program.
- (c) The Administration shall administer the Fund.
- (d)
  - (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.
  - (2) The Treasurer shall hold the Fund separately and the Comptroller shall account for the Fund.
- (e) The Fund consists of:
  - (1) all of the proceeds from the sale of allowances under § 2–1002(g) of the Environment Article;
  - (2) money appropriated in the State budget to the Program;
  - (3) repayments and prepayments of principal and interest on loans made from the Fund;
  - (4) interest and investment earnings on the Fund;
  - (5) compliance fees paid under § 7–705 of the Public Utilities Article;
  - (6) money received from any public or private source for the benefit of the Fund; and
  - (7) money transferred from the Public Service Commission under § 7–207.2(c)(3) of the Public Utilities Article.
- (f) The Administration shall use the Fund:
  - (1) to invest in the promotion, development, and implementation of:

(i) cost-effective energy efficiency and conservation programs, projects, or activities, including measurement and verification of energy savings;

(ii) renewable and clean energy resources;

(iii) climate change programs directly related to reducing or mitigating the effects of climate change; and

(iv) demand response programs that are designed to promote changes in electric usage by customers in response to:

1. changes in the price of electricity over time; or

2. incentives designed to induce lower electricity use at times of high wholesale market prices or when system reliability is jeopardized;

(2) to provide targeted programs, projects, activities, and investments to reduce electricity consumption by customers in the low-income and moderate-income residential sectors;

(3) to provide supplemental funds for low-income energy assistance through the Electric Universal Service Program established under § 7-512.1 of the Public Utilities Article and other electric assistance programs in the Department of Human Services;

(4) to provide rate relief by offsetting electricity rates of residential customers, including an offset of surcharges imposed on ratepayers under § 7-211 of the Public Utilities Article;

(5) to provide grants, loans, and other assistance and investment as necessary and appropriate to implement the purposes of the Program as set forth in § 9-20B-03 of this subtitle;

(6) to implement energy-related public education and outreach initiatives regarding reducing energy consumption and greenhouse gas emissions;

(7) to provide rebates under the Electric Vehicle Recharging Equipment Rebate Program established under § 9-2009 of this title;

(8) to provide grants to encourage combined heat and power projects at industrial facilities;

(9) subject to subsections (f–1) and (f–3) of this section, to provide \$7,000,000 in funding for access to capital for small, minority, women–owned, and veteran–owned businesses in the clean energy industry under § 5–1501 of the Economic Development Article, allocated in annual increments as follows:

- (i) \$200,000 in fiscal year 2021;
- (ii) \$500,000 in fiscal year 2022;
- (iii) \$500,000 in fiscal year 2023;
- (iv) \$1,000,000 in fiscal year 2024; and
- (v) \$1,200,000 in each fiscal year from 2025 through 2028;

(10) subject to subsections (f–2) and (f–3) of this section, to invest in pre–apprenticeship, youth apprenticeship, and registered apprenticeship programs to establish career paths in the clean energy industry under § 11–708.1 of the Labor and Employment Article, as follows:

(i) \$1,250,000 for grants to pre–apprenticeship jobs training programs under § 11–708.1(c)(3) of the Labor and Employment Article starting in fiscal year 2021 until all amounts are spent;

(ii) \$6,000,000 for grants to youth apprenticeship jobs training programs and registered apprenticeship jobs training programs under § 11–708.1(c)(5) of the Labor and Employment Article starting in fiscal year 2021 until all amounts are spent; and

(iii) \$750,000 for the recruitment of individuals, including veterans and formerly incarcerated individuals, to the pre–apprenticeship jobs training programs and the registered apprenticeship jobs training programs under § 11–708.1 of the Labor and Employment Article starting in fiscal year 2021 until all amounts are spent;

(11) to provide at least \$500,000 each year to the Resiliency Hub Grant Program Fund under § 9–2011 of this title; and

(12) to pay the expenses of the Program.

(f–1) (1) Any funding provided under subsection (f)(9) of this section that is not spent in a given fiscal year shall revert to the Fund in the following fiscal year.

(2) Funding that is provided for access to capital for small, minority, women-owned, and veteran-owned businesses under subsection (f)(9) of this section shall be used to provide grants to eligible fund managers to provide investment capital, including equity and similar investments, and loans to small, minority, women-owned, and veteran-owned businesses in the State in the clean energy industry.

(3) Eligible fund managers receiving grants under subsection (f)(9) of this section may use a portion of the money received to pay ordinary and reasonable expenses for administrative, actuarial, legal, marketing, and technical services and management fees.

(4) The Administration may provide additional funding for the purposes stated in subsection (f)(9) of this section.

(f-2) An \$8,000,000 payment for workforce development programs under subsection (f)(10) of this section starting in fiscal year 2021 shall be derived from the Renewable Energy, Climate Change account of the Fund.

(f-3) Funding under subsection (f)(9) and (10) of this section for access to capital, investment, promotion, or implementation should be directed only to businesses that agree to create and maintain jobs that promote family-sustaining wages, employer-provided health care with affordable deductibles and co-pays, career advancement training, fair scheduling, employer-paid workers' compensation and unemployment insurance, a retirement plan, paid time off, and the right to bargain collectively for wages and benefits.

(f-4) Of the funds transferred to the Maryland Energy Innovation Fund under subsection (f)(11) of this section:

(1) at least \$1,200,000 may be used to fund the Maryland Clean Energy Center established under § 10-806 of the Economic Development Article; and

(2) at least \$900,000 may be used to fund the Maryland Energy Innovation Institute established under § 10-829 of the Economic Development Article.

(g) Proceeds received by the Fund from the sale of allowances under § 2-1002(g) of the Environment Article shall be allocated as follows:

(1) at least 50% shall be credited to an energy assistance account to be used for the Electric Universal Service Program and other electricity assistance programs in the Department of Human Services;

(2) at least 20% shall be credited to a low and moderate income efficiency and conservation programs account and to a general efficiency and conservation programs account for energy efficiency and conservation programs, projects, or activities and demand response programs, of which at least one-half shall be targeted to the low and moderate income efficiency and conservation programs account for:

(i) the low-income residential sector at no cost to the participants of the programs, projects, or activities; and

(ii) the moderate-income residential sector;

(3) at least 20% shall be credited to a renewable and clean energy programs account for:

(i) renewable and clean energy programs and initiatives;

(ii) energy-related public education and outreach; and

(iii) climate change and resiliency programs; and

(4) up to 10%, but not more than \$5,000,000, shall be credited to an administrative expense account for costs related to the administration of the Fund, including the review of electric company plans for achieving electricity savings and demand reductions that the electric companies are required under law to submit to the Administration.

(h) (1) Energy efficiency and conservation programs under subsection (g)(2) of this section include:

(i) low-income energy efficiency programs;

(ii) residential and small business energy efficiency programs;

(iii) commercial and industrial energy efficiency programs;

(iv) State and local energy efficiency programs;

(v) demand response programs;

(vi) loan programs and alternative financing mechanisms; and

(vii) grants to training funds and other organizations supporting job training for deployment of energy efficiency and energy conservation technology and equipment.

(2) Energy-related public education and outreach and renewable and clean energy programs and initiatives under subsection (g)(3)(i) and (ii) of this section include:

(i) production incentives for specified renewable energy sources;

(ii) expansion of existing grant programs for solar, geothermal, and wind programs;

(iii) loan programs and alternative financing mechanisms; and

(iv) consumer education and outreach programs that are designed to reach low-income communities.

(i) (1) In this subsection, “low-income” means having an annual household income that is at or below 175% of the federal poverty level.

(2) Except as provided in paragraph (3) of this subsection, compliance fees paid under § 7-705(b) of the Public Utilities Article may be used only to make loans and grants to support the creation of new Tier 1 renewable energy sources in the State that are owned by or directly benefit low-income residents of the State.

(3) Compliance fees paid under § 7-705(b)(2)(i)2 of the Public Utilities Article shall be accounted for separately within the Fund and may be used only to make loans and grants to support the creation of new solar energy sources in the State that are owned by or directly benefit low-income residents of the State.

(i-1) (1) (i) In this subsection the following words have the meanings indicated.

(ii) “Area median income” has the meaning stated in § 4-1801 of the Housing and Community Development Article.

(iii) “Low and moderate income” means having an annual household income that is at or below 120% of the area median income.

(2) Compliance fees paid under § 7-705(b-1) of the Public Utilities Article shall be accounted for separately within the Fund and may be used only to make loans and grants to promote increased opportunities for the growth and

development of small, minority, women–owned, and veteran–owned businesses in the State that install geothermal systems in the State.

(j) (1) The Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.

(2) Any investment earnings of the Fund shall be paid into the Fund.

(3) Any repayment of principal and interest on loans made from the Fund shall be paid into the Fund.

(4) Balances in the Fund shall be held for the benefit of the Program, shall be expended solely for the purposes of the Program, and may not be used for the general obligations of government.

(k) Expenditures from the Fund shall be made by:

(1) an appropriation in the annual State budget; or

(2) a budget amendment in accordance with § 7–209 of the State Finance and Procurement Article.

(l) An expenditure by budget amendment may be made under subsection (k) of this section only after:

(1) the Administration has submitted the proposed budget amendment and supporting documentation to the Senate Budget and Taxation Committee, Senate Finance Committee, House Appropriations Committee, and House Economic Matters Committee; and

(2) the committees have had 45 days for review and comment.

(m) (1) A loan or grant made available from the Fund to a unit of State or local government shall comply with §§ 14–416 and 17–303 of the State Finance and Procurement Article.

(2) At least 80% of workers participating in a project or program that receives money from the Fund must reside within 50 miles of the project or program, or another distance defined by the local jurisdiction where the project or program is located.

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